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Travel & Tourism Continues Economic Growth

Five states and the District of Columbia posted double-digit increases in domestic travel spending during 1989, while an additional 26 states grew faster than the national average of 5.5 percent, according to the U.S. Travel Data Center's *Impact of Travel on State Economies, 1989.*

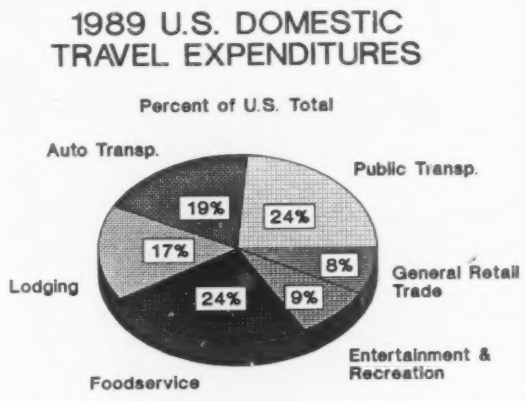
The report is based on the Data Center's newly revised Travel Economic Impact Model (TEIM), which is the only national model which produces the economic impact of travel and tourism at the national, state and local levels.

Domestic travel spending, both direct and indirect, in the U.S. totaled $632.4 billion in 1989. Of this amount, $272 billion were spent directly by Americans traveling 100 miles or more away from home or on trips 50 miles or more away from home which included use of paid accommodations, an increase of 5.5 percent over the previous year. According to preliminary estimates, American spending increased another 6 percent to $288 billion in 1990.

The United States Travel and Tourism Administration (USTTA) reports that foreign visitors spent a record $34.7 billion on travel in the United States in 1989. (Not including passenger fares.) The increase, 19.7 percent over the previous year, was primarily due to the weakening U.S. dollar in terms of major foreign currencies and relatively moderate gains in worldwide economies. Preliminary estimates in 1990 suggested that spending increased another 17 percent to $40.6 billion.

California led all states in direct travel spending with $38.2 billion during 1989. Florida and New York followed with $24.4 billion and $18.3 billion, respectively. Among the 45 states that showed increases in travel spending in 1989, Alabama experienced the largest gain of any state, increasing nearly 13 percent.

Domestic travel spending by U.S. residents directly generated nearly $70 billion in wage and salary, or payroll, income during 1989, an increase of 5.7 percent over 1988. The public transportation category accounted for about 34 percent of the total U.S. travel-generated payroll, followed by foodservice, 21 percent and lodging, 17 percent.



Source: U.S. Travel Data Center

Foreign visitors in the United States generated $9.6 billion in U.S. payroll in 1989. U.S. wage and salary income directly generated by spending of all travelers in the United States, therefore, reached $79.4 billion in 1989, a 7.1 percent increase over the previous year. The average state benefitted from nearly $1.4 billion in U.S. travel-generated wage and salary income.

There were 21 states that received more than $1 billion in travel-generated payroll in 1989. California led all states with $9.5 billion, followed by Florida with $5.6 billion. In 1989, travel expenditures in the U.S. directly generated 5.7 million jobs for Americans residents. U.S. resident travel directly produced 4.9 million jobs. Foreign visitors generated another 760.7 thousand jobs within the U.S. in 1989.

U.S. travelers directly generated over $36 billion in tax revenue during 1989, an increase of more than 5 percent over the previous year. In addition, the Data Center estimates that total tax revenue generated by foreign visitor spending in the U.S. was approximately $4.8 billion in 1989 for an overall total of $41.2 billion.

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Cost of Travel Decreases for Second Consecutive Month

The cost of travel in the United States decreased for the second consecutive month this past May, dropping 0.3 percent. The decrease was largely due to the 3 percent drop in lodging prices and a 1 percent decrease in airline fares, according to the Data Center's latest Travel Price Index (TPI).

The TPI, which measures seasonally unadjusted changes in the cost of travel in the U.S. decreased to 143.6 (1982 - 84 = 100) during May.

For comparison, the overall cost of goods and services Americans purchased as measured by the Consumer Price Index (CPI) increased 0.3 percent in May and rose to 135.6.

Travel Price Index and Components

May 1991 TPI Component	Monthly % Change Apr. 1991 to May 1991	Annual % Change May 1990 to May 1991
Transportation	3.0	7.3
Airline Fares	-1.3	3.3
Other Intercity Trans.	1.0	4.4
Intracity Public Trans.	0.2	4.2
Motor Fuel	6.1	10.3
Lodging	-3.9	16.1
Food and Beverages Away From Home	0.3	3.6
Entertainment	1.0	6.0
TRAVEL PRICE INDEX	-0.3	8.0
CONSUMER PRICE INDEX	0.3	5.0

Source: U.S. Travel Data Center and the U.S. Bureau of Labor Statistics

The 1.3 percent decrease in airline fares this past May was the third straight month in which fares showed a decrease. Even though airline fares decreased in May, they were still 3 percent higher than 12 months before.

Overall transportation costs showed an increase of 3 percent in May and during the last 12 months, transportation prices increased more than 5 percent.

Lodging prices showed a decrease for the second consecutive month, but also showed a substantial increase over the past 12 months.

Motor fuel showed an increase of 6.1 percent for the month, while intracity public transportation, and food and beverages away from home showed slight increases. In addition, entertainment prices rose 1 percent in May.

Over the past 12 months, the TPI increased 8 percent, influenced greatly by the rising lodging and motor fuel costs. The CPI rose 5 percent over the same 12 month period.

The TPI indicates price changes in travel goods and services available to consumers in the U.S. and does not necessarily represent changes in the average fares, rates and other costs that travelers actually paid.

Bed & Breakfasts Continue Popularity, Study Says

Overall occupancy at Bed & Breakfasts have increased 7 percent since 1986, with an occupancy rate of 57 percent in 1989, according to *The 1990 Bed & Breakfast/Country Inn Industry Study.*

The study, released by the Professional Association of Innkeepers International, showed the Midwest and South as having the greatest occupancy increases, jumping from 38 percent in 1986 to 45 percent in 1989.

The average rate of a room in 1990 was $106, up from an average of $78 in 1986. According to the report, room rates in the Midwest and South are $8-$20 lower than rates in the Northeast and West.

Breakfasts have become more ample since 1988, with 80 percent of all inns serving cheese, an egg dish or meat on a daily basis compared to 76 percent in 1988. The larger the inn, the more likely it is to have a television and other extra amenities.

Forty-three percent of B&B's business in 1989 was the result of referrals from former guests and returning guests. Books and travel guides and advertising were also popular means of marketing B&B's.

The 1990 Bed & Breakfast/Country Inn Industry Study details financial, and operational details on occupancy, pricing, staff, expenses, rate of return, promotion effectiveness and much more. The complete study costs $125. Regional break-downs are also available for $65 each. For additional information contact the Pat Hardy of the Professional Association of Innkeepers International at (805) 965-0707.

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California led all states with a total of $4.9 billion in travel-generated tax collections. Florida was second with nearly $3 billion and New York was third with $2.9 billion.

The U.S. Travel Data Center developed the TEIM in 1975 to generate detailed, consistent estimates of the impact of U.S. domestic travel spending on national, state and local economies. It is a disaggregated economic model that estimates U.S. resident spending for 14 categories of goods and services provided by 15 types of businesses. The impact of these expenditures on employment, personal income and tax revenue is simulated in the model as well.

The completed revision of the TEIM marks the end of a 20-month project that included extensive consulting with a technical review panel comprised of travel industry authorities. The revised model will have greater accuracy, stability and flexibility.

The Impact of Travel on State Economies, 1989 is an 85-page report of the travel industry's contribution to each state's employment, income and tax revenue and detailing changes in economic impact by state and major industry component.

The report is available for $70 and can be purchased by contacting the Data Center at (202) 293-1040. *(Data Center members will be receiving a complimentary copy.)*

Visitor Volume at National Parks

Region	APR 1991 visits*	% Change from APR 1990	Year to Date % Change 1991/90*
NEW ENGLAND	912,887	-8.8%	-2.8%
MIDDLE ATLANTIC	2,013,480	-3.8	-0.1
SOUTH ATLANTIC	6,978,824	-4.6	-2.7
EAST SOUTH CENT.	1,561,261	2.7	1.0
EAST NORTH CENT.	388,878	-6.5	4.9
WEST NORTH CENT.	622,242	3.4	4.7
WEST SOUTH CENT.	952,644	-2.5	-6.6
MOUNTAIN	3,554,327	-12.7	-5.5
PACIFIC	3,569,395	-6.6	-0.2
TOTAL	19,553,938	-5.4	-1.9

* Percent change figures may not be consistent with those previously reported due to National Park Service revisions.

Census regions: New England: Conn., Maine, Mass., N.H., R.I., Vermont. Middle Atlantic: N.J., N.Y., Penn. S. Atlantic: Del., District of Columbia, Fla., Ga., Md., N.C., S.C., Va., W.Va. East South Central: Ala., Ky., Miss., Tenn. East North Central: Ill., Ind., Mich., Ohio, Wis. West North Central: Iowa, Kan., Minn., Mo., Neb., N.D., S.D. West South Central: Ark., La., Okla., Texas. Mountain: Ariz., Colo., Idaho, Mont., Nev., N.M., Utah, Wyo. Pacific: Alaska, Calif., Hawaii, Ore., Wash.

Vacations Focus on Being Together as a Family

The official start of the most traveled season of the year brings a variety of travel activities, such as sunbathing, swimming and relaxation. But the most important reason for Americans to take a 1991 summer vacation trip is "being together as a family," according to a recent survey conducted by the U.S. Travel Data Center.

Three-quarters, 75 percent, of all Americans who plan to take a 1991 summer vacation trip ranked "being together as a family" as a very important reason to take a summer vacation trip, according to the Data Center's *Summer Intention's Survey.*

In addition, at least 70 percent ranked "getting away from the daily work routine" or "finding rest and relaxation" as very important reasons. The Data Center's *Summer Intention's Survey* interviewed 3,000 U.S. adults on past and planned travel-related activities and attitudes toward vacation travel.

"The need to relax with the family and get away from the daily work routine seems to outweigh the possible economic restraints when taking a vacation trip this summer," said Suzanne Cook, executive director of the Data Center. According to the Data Center's *Summer Vacation Travel Forecast*, American summer vacations should at least reach last summer's record of 326 million person-trips. (A person-trip is one person traveling 100 miles or more away from home.)

Vacation planners were less likely to say that "pampering and indulging in luxury," "getting away from the demands of home," and "being physically active," are very or somewhat important to them as a reason to take a vacation trip.

Nevertheless, more than 40 percent said "getting away from the demands of home" was a very important reason to take a summer vacation trip, while 38 percent said being "physically active," and 29 percent said that "pampering themselves and indulging in luxury" were very important. This suggests there are sizeable markets for those suppliers who can offer these types of vacation benefits.

For additional information, contact the Data Center at (202) 293-1040. *The 1991 Summer Vacation Travel Forecast* is available for $25. (Data Center full members will be receiving a complimentary copy and basic members may purchase the forecast for $20.)

Current Travel Indicators - 1990/91

	Month	Value	Units	Percent Change Last Month	Year Ago	Year To Date
Establishment Receipts or Retail Sales						
Hotels, Motels, Other Lodging Places(1)	Apr	$5,639	million	2.3	4.1	-0.3
Eating and Drinking Places(2)	May	$15,034	million	-2.4	-0.9	1.4
Gasoline Service Stations(2)	May	$10,573	million	1.4	6.2	7.3
Commercial Lodging Demand						
Hotel/Motel Occupancy Rates(3)	Apr	62.0	percent	3.7	1.9	-5.7
Real Demand for Commercial Lodging(4)	Apr	65.5	million	2.2	2.4	-1.1
Airline Passenger Traffic (5)						
Domestic Revenue Passenger-Miles	May	27.5	billion	1.2	-0.5	-2.3
Int'l Revenue Passenger-Miles	May	9.6	billion	23.9	0.9	11.8
Highway Traffic Volume (6)						
Rural Arterial Passenger-Miles	Apr	43.0	billion	-0.4	-0.8	-1.3
Rail Passenger Traffic (7)						
Amtrak Passenger-Miles	Apr	484.1	million	-14.1	-10.9	2.0
Travel Price Index (1982 - 84 = 100) (8)	May	143.6		-0.3	8.0	10.1
U.S. Resident Travel						
Total Person-trips(9)	Dec	93.6	million	-1.1	-13.7	1.1
Vacation Person-trips(9)	Dec	63.2	million	1.8	-19.1	0.6
Total Person-nights(10)	Dec	402.5	million	3.8	n/a	n/a
Vacation Person-nights(10)	Dec	322.3	million	8.1	n/a	n/a
Visitor Volume at National Park Service Areas (11)						
Recreation Visits	Apr	19,553,938		33.2	-5.4	-1.9
Overnight Stays	Apr	964,920		40.3	-8.8	-2.8
Foreign Arrivals to the U S.						
From Overseas(12)	Nov	N/A				
From Canada(13)	Apr	1,531,000		-7.9	4.6	5.8
From Mexico(12)	Nov	N/A				
U.S. Citizen Departures						
To Overseas(12)	Dec	1,262,000		18.0	3.6	8.0
To Canada(13)	Apr	593,660		-0.1	-1.6	-2.7
Domestic Demand for Gasoline						
Barrels/Day(14)	Apr	7,044	thousands	-0.1	-1.0	-2.1

(1) Source: Smith Travel Research, seasonally adjusted. (2) Preliminary; revised monthly. Source: Bureau of the Census. (3) Source: Smith Travel Research, seasonally adjusted. 1988 and 1987 data have been revised. (4) Smith Travel Research, unadjusted room nights sold. (5) Preliminary. U.S. scheduled service air carriers. Source: Air Transport Association. (6) Preliminary; revised monthly. Source: Federal Highway Administration. (7) Source: National Railroad Passenger Corporation (Amtrak). (8) Source: U.S. Travel Data Center and Bureau of Labor Statistics. (9) Source: U.S. Travel Data Center. (10) U.S. Travel Data Center. Data is not comparable to earlier published numbers due to revised methodology. (11) Preliminary; unadjusted for differences in reporting units. Source: National Park Service. (12) Source: U.S. Travel and Tourism Administration. Mexican data reflect 194 arrivals only. (13) Statistics Canada. (14) Preliminary; Source: U.S. Department of Energy.

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